

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**QUICK-REACTION REPORT ON THE REVIEW OF DEFENSE
BASE CLOSURE AND REALIGNMENT BUDGET DATA
FOR
FORT KNOX AND FORT MEADE**

Report Number 92-087

May 7, 1992

20000612 059

Department of Defense

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

6753 QUALITY INSPECTED 4

AGI00-09-2758

The following acronyms are used in this report.

AFB.....	Air Force Base
AFIS.....	American Forces Information Service
DINFOS.....	Defense Information School
COBRA.....	Cost of Base Realignment Actions
MILCON.....	Military Construction
USAREC.....	United States Army Recruiting Command



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



Report No. 92-087

May 7, 1992

MEMORANDUM FOR COMPTROLLER OF THE DEPARTMENT OF DEFENSE
ASSISTANT SECRETARY OF THE ARMY (FINANCIAL
MANAGEMENT)

SUBJECT: Quick-Reaction Report on the Review of Defense Base
Closure and Realignment Budget Data for Fort Knox and
Fort Meade (Project No. 2CG-5022.03)

We are providing this final report for your information and use. The audit was required by Public Law 102-190, "National Defense Authorization Act for FY 1992 and 1993," December 5, 1991. The Law prescribes that we evaluate significant increases in military construction (MILCON) project costs over the estimated costs provided to the Base Closure and Realignment Commission. This report is one in a series of reports relating to FY 1993 MILCON costs and addresses the closing of Fort Benjamin Harrison and realignment of some of its functions to Fort Meade, Maryland. Also, this report includes a review of functions originally scheduled to be realigned from Fort Sheridan, Illinois, to Fort Benjamin Harrison, but instead realigned to Fort Knox, Kentucky.

Comments received on a draft of this report conform to the requirements of DoD Directive 7650.3, and there are no unresolved issues. Therefore, no additional comments are required.

The courtesies extended to the audit staff are appreciated. If you have any questions on this final report, please contact Mr. Wayne K. Million at (703) 614-6281 (DSN 224-6281) or Mr. Gary Padgett at 614-3459 (DSN 224-3459). The planned distribution of this report is listed in Appendix C.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Enclosures

cc:
Secretary of the Army
Assistant Secretary of Defense (Production and Logistics)
Comptroller of the Department of Defense

Office of the Inspector General, DoD

AUDIT REPORT NO. 92-087
(Project No. 2CG-5022.03)

May 7, 1992

QUICK-REACTION REPORT ON THE REVIEW OF
DEFENSE BASE CLOSURE AND REALIGNMENT BUDGET DATA FOR
FORT KNOX AND FORT MEADE

EXECUTIVE SUMMARY

Introduction. The review was directed by Public Law 102-190, "National Defense Authorization Act for FY 1992 and 1993." This Public Law states that the Secretary of Defense shall ensure that the amount of the authorization requested by DoD for each military construction project, associated with base closure and realignment actions, does not exceed the original estimated costs provided to the Base Closure and Realignment Commission. The Secretary is required to submit to Congress an explanation of the reasons for the differences in a project's requested amount and the estimated cost provided to the Commission. The Inspector General, DoD, is required to review each military construction (MILCON) project for which there was a significant difference, and provide the results of the review to the Secretary for forwarding to Congress. This report is one in a series of reports relating to FY 1993 MILCON cost increases for closing and realigning bases.

Objective. The objective of the overall review was to evaluate significant cost increases over the estimated costs provided to the Base Closure and Realignment Commission for base closure and realignment MILCON projects. This report provides the results of the review related to the closing of Fort Benjamin Harrison and realignment of the functions to Fort Meade and Fort Knox.

Audit Results. We determined that the FY 1992 project and the three FY 1993 projects valued at \$34.1 million, related to the realignment of Fort Benjamin Harrison, were generally supported. We did not review the two realignment projects valued at \$38.8 million for Fort Jackson because the U.S. Army Audit Agency was in the process of reviewing these projects. We found that the Army could reduce MILCON costs for one project by \$500,000 by deleting unnecessary requirements. We also believe that the costs of another project could be substantially reduced by deleting unnecessary requirements; however, we were unable to quantify the amount of the reductions.

Internal Controls. We did not include a review of internal controls as related to the objective because of the time sensitivity of the data reviewed.

Potential Benefits of Audit. We determined that by implementing our Recommendation 3. monetary benefits of \$500,000 could be saved. Monetary benefits associated with Recommendation 2. are undeterminable. (see Appendix A).

Summary of Recommendations. We recommended that the Comptroller of the Department of Defense expedite the decision on a proposed school consolidation; that the Office of the Chief of Engineers review the \$21 million MILCON project at Fort Knox to determine if the "state-of-the-art" design and the additional cost involved is warranted; and that the Army reconsider its denial of a waiver for a \$500,000 handicapped access project at Fort Knox.

Management Comments. The Comptroller of the Department of Defense and the Department of the Army concurred with all recommendations. Potential monetary benefits will not be determined until a final decision is made on the consolidation of American Forces Information Services training.

TABLE OF CONTENTS

	<u>Page</u>
TRANSMITTAL MEMORANDUM	1
EXECUTIVE SUMMARY	i
PART I - RESULTS OF AUDIT	1
Introduction	1
Background	1
Scope	2
Other Audits	3
Discussion	4
PART II - ADDITIONAL INFORMATION	7
APPENDIX A - Summary of Potential Benefits Resulting from Audit	9
APPENDIX B - Activities Visited or Contacted	11
APPENDIX C - Draft Report Distribution	13
PART III - MANAGEMENT COMMENTS	15
Comptroller of the Department of Defense	17
Department of the Army	19

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD. Copies of the report can be obtained from the Information Officer, Audit Planning and Technical Support Directorate, (703) 614-6303 (DSN 224-6303).

PART I - RESULTS OF AUDIT

Introduction

On March 6, 1992, we announced our review of Defense Base Closure and Realignment Budget Data. The review was directed by Public Law 102-190, "National Defense Authorization Act for FY 1992 and 1993," December 5, 1991. The objective of the review was to evaluate significant increases in military construction project costs over the estimated costs provided to the Base Closure and Realignment Commission. This report is one in a series of reports relating to FY 1993 military construction (MILCON) costs for closing and realigning bases and addresses the closure and realignment of Fort Benjamin Harrison, Indiana.

We found that the FY 1992 and the three proposed FY 1993 MILCON projects totaling \$34 million, related to the realignment of Fort Benjamin Harrison, were generally supported. However, the Army could reduce MILCON costs on these three projects.

At Fort Meade, we found that all of the programmed instructional facilities were needed. However, the \$9.6 million MILCON project should be suspended pending a final decision regarding the Defense Information School (DINFOS) consolidation.

At Fort Knox, we found that the permanent Army headquarters building was being designed to a "state-of-the-art" standard, without an economic analysis indicating the project's cost effectiveness. The \$21 million MILCON project should be reviewed at the 35-percent design stage to determine whether all its features are cost-effective.

At Fort Knox, we also noted that the Army might reasonably choose to avoid a \$500,000 cost for handicapped access facilities in a building that is to be used for temporary administrative space.

Background

Public Law 102-190 states that the Secretary of Defense shall ensure that the amount of the authorization requested by DoD for each MILCON project associated with base closure and realignment actions does not exceed the original estimated cost provided to the Base Closure and Realignment Commission. The Secretary is required to submit to Congress an explanation of the reasons for the differences in a project's requested amount and the initial estimated cost. Also, the Inspector General, DoD, is required to review each MILCON project for which there was a significant cost difference.

Base closure and realignment costs submitted to the 1991 Base Closure and Realignment Commission were developed from a computer model, "Cost of Base Realignment Actions" (COBRA), initially

developed during the 1988 base closure process. The model was used to estimate the potential costs and savings associated with realignment recommendations. Specifically, the model estimated one-time realignment and closure costs, such as administrative planning and support; personnel actions; moving; construction; procurement and construction cost avoidances; and other one-time costs and cost avoidances.

The COBRA model also estimated recurring costs and savings. However, the costs were developed as a "closure and realignment package" for a particular closing or base realignment and were not developed by specific MILCON projects for each installation affected by the recommendations.

Scope

Because we were unable to determine the amount of cost increases for each MILCON project related to a base closure, we compared the total COBRA construction cost for each base closure package to the Military Department's MILCON budget submission for FY 1993 and future years. Our comparison found 13 base closure packages with increases ranging from \$1.1 million to \$35.3 million. For review, we selected seven packages with an increase in cost of 20 percent or greater. This report covers the Fort Benjamin Harrison closure and realignment package.

As a result of the Base Closure and Realignment Commission, Fort Benjamin Harrison must realign its force structure and close the base by October 1997.

The FY 1993 through FY 1995 MILCON budget for base closure at Fort Benjamin Harrison totaled \$88.4 million. However, \$24.5 million of this amount resulted from a separate 1988 base closure decision realigning Fort Sheridan requirements to Fort Benjamin Harrison that was included in a separate COBRA computation. Therefore, the Fort Benjamin Harrison budget submission totaled \$63.9 million, which included an increase of \$11.1 million or 21 percent over the original COBRA computation.

We reviewed the justification for a FY 1992 and three FY 1993 MILCON projects totaling \$34.1 million, located at the two Army locations, related to the Fort Benjamin Harrison realignment. The Army Audit Agency is in the process of reviewing two projects valued at \$38.8 million. The remaining four projects, valued at \$15.5 million, related to the Fort Benjamin Harrison realignment, are scheduled for FY 1994 and FY 1995.

Audit period, locations, and standards. This economy and efficiency audit was conducted at the activities listed in Appendix B during March 1992. We did not rely on computerized data to conduct this review. Additionally, we did not review internal controls related to our objective because of the time

sensitivity of the data under review. Except as noted, the review was made in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD.

Other Audits

In addition to this report, the following audits were conducted, or are in process, by the Office of the Inspector General, DoD related to the overall objective.

- The base closure of Naval Station Philadelphia, Pennsylvania, and the realignment of Naval Aviation Engineering Service Unit to Naval Air Warfare Center, Lakehurst, New Jersey (IG, DoD Report No. 92-085).

- The partial closing of MacDill Air Force Base (AFB), Florida, and the realignment of some of its functions to Luke AFB, Arizona, and Seymour Johnson AFB, North Carolina (IG, DoD Report No. 92-086).

- The closing of Carswell AFB, Texas, and the realignment of some of its functions to Minot AFB, North Dakota; Barksdale AFB, Louisiana; Dyess AFB, Texas; and Tinker AFB, Oklahoma (IG, DoD Project No. 2CG-5022.04).

- The realignment of Navy Fleet Support Activities to Naval Surface Warfare Center, Dahlgren, Virginia, and Naval Underwater Warfare Center, Carderock, Maryland (IG, DoD Project No. 2CG-5022.05)

The General Accounting Office is conducting an audit (GAO Code 398100) of the closure of Rock Island Arsenal, Illinois and various other minor activities with functions being realigned to Redstone Arsenal, Huntsville, Alabama.

The Army Audit Agency is also performing an audit, Project No. S1732C, "Audit of BRAC-91 Construction Costs," which includes coverage of our objectives at two activities.

- The realignment of functions from Fort Benjamin Harrison to Fort Jackson, South Carolina.

- The closure of Fort Ord, California, and the realignment of some of its functions to Fort Lewis, Washington.

Upon completion of the audits of all seven Base closure packages with significant differences in FY 1993 cost increases over the costs submitted to the Commission, we will submit a summary report to the Secretary of Defense.

Discussion

Applied Instruction Facility - Fort Meade, Maryland (Project 39405). We examined this FY 1993 proposed MILCON construction project associated with the closure of Fort Benjamin Harrison. The DINFOS, a tenant, is scheduled to relocate to Fort Meade, Maryland. The proposed MILCON project at Fort Meade involves the alteration of 10 buildings, to provide 106,000 square feet of instructional facility space at a cost of \$9.6 million, to support a projected average daily student load of 236 students.

The number of students that the project will support is uncertain. We determined the projected number of students for FY 1994 was about 236 students as originally estimated. However, the American Forces Information Service (AFIS), the major command responsible for DINFOS, is currently evaluating the feasibility of consolidating similar Navy and Air Force schools with DINFOS. The Navy school is located at the Pensacola Naval Air Station and the Air Force school is located at Lowry AFB, but it is scheduled to relocate to Keesler AFB. It is possible, that as a result of the AFIS study, the instructional facilities size will require modification to accommodate additional students. Currently, AFIS has requested consolidation funding from the Comptroller of the Department of Defense. We believe that Project 39405 should be suspended until AFIS can determine a better estimate of the actual number of students that will be using the instructional facility.

Army Headquarters Building - Fort Knox, Kentucky (Project 38646). The United States Army Recruiting Command (USAREC), a current tenant of Fort Sheridan, was scheduled to relocate to Fort Benjamin Harrison, but is now scheduled to relocate to Fort Knox, Kentucky. The proposed project involves the alterations of two buildings, to provide 132,772 square feet of administrative facilities, at a cost of \$21 million. The original project cost was estimate at \$13.8 million.

Our review of the data supporting the proposed 132,772 square-foot facility showed that the project's size should be decreased. The number of personnel assigned to the facility has decreased from 712 to 633 and is expected to decline further as force structures change.

In addition, since the original estimate, the building requirements were upgraded, and the building was directed to be designed to a "state-of-the-art" standard. Fort Knox personnel provided the following data on the upgrade to meet the "state-of-the-art" requirement:

This renovation would include new telephone system, local area network (LAN), fiber optics, total replacement of electrical system, replacement of HVAC [heating, ventilation, and air conditioning] with zone controls, and environmental filters, energy efficient windows, relocatable interior pre-wired walls, provisions for handicapped, and directional fire alarm system, which gives directions for safe egress from the facility.

An economic analysis of the project's cost-effectiveness compared to current Army standards was not prepared. As a result, the Army has not justified the "state-of-the-art" design, and there is no assurance that the additional improvements are cost-beneficial or warranted. While some of these requests may be valid and economical, the entire upgrade to "state of the art" should be evaluated and justified. Since the Architect-Engineer design was not complete, we could not determine the affect of reducing the space required or the affect of upgrading the amenities.

General Purpose Warehouse - Fort Knox, Kentucky - (Project 38618). We reviewed the \$170,000 proposed project for modernization and repair of a 6,000 square-foot warehouse. This project was adequately supported.

Temporary Army Headquarters Building - Fort Knox, Kentucky - (Project 39189). We reviewed the \$3.3 million proposed project for the renovation of three barracks to temporary administrative space. Our review of the supporting data showed the barracks conversion to be cost-effective. The temporary administrative space will be converted back to barracks after an estimated 2 years when USAREC moves into permanent administrative facilities. Additionally, we found that USAREC had requested relief from the Uniform Federal Accessibility Standards. The Army Corps of Engineers denied the request. Compliance with these standards is projected to cost \$500,000 for elevators as well as second- and third-floor handicapped accessible bathrooms. USAREC believes that this expenditure is not cost-effective because USAREC currently has no handicapped personnel, there will be complete first-floor handicapped access, and the barracks will not need to be handicapped accessible when converted back to barrack use. Because of the temporary nature of the project, we believe that the Deputy Assistant Secretary of the Army (Installations) should provide a final decision on the waiver request.

RECOMMENDATIONS, MANAGEMENT COMMENTS, AND AUDIT RESPONSE

1. We recommend that the Comptroller of the Department of Defense:

a. Expedite the decision on the school consolidation proposed by the American Forces Information Service.

b. Suspend action on the \$9.6 million military construction project at Fort Meade, pending the decision.

Management comments. The Comptroller of the Department of Defense concurred with the recommendation to expedite the consolidation decision and established a target date of May 15, 1992. This decision will be made by the Deputy Secretary of Defense. In the meantime, the Comptroller, in coordination with the Army, has suspended action on the Fort Meade project until the decision is made.

2. We recommend that the Chief of Base Realignment and Closure, Director of Management, Chief of Staff of Army review the \$21 million headquarters building military construction project at Fort Knox at the 35-percent design stage to determine whether all its features are cost-effective and whether the requested square footage is still justified.

Management comments. The Chief of Base Realignment and Closure, Director of Management, Chief of Staff of Army concurred with the recommendation, stating that space not needed and improvements that are not cost-effective would be deleted from the building.

3. We recommend that the Army Recruiting Command request reconsideration of the denial of a waiver for handicapped access, in a temporary building, from the Deputy Assistant Secretary of the Army (Installations).

Management comments. The Army Recruiting Command concurred with the recommendation and has requested reconsideration.

PART II - ADDITIONAL INFORMATION

APPENDIX A - Summary of Potential Benefits
Resulting from Audit

APPENDIX B - Activities Visited or Contacted

APPENDIX C - Report Distribution

APPENDIX A - SUMMARY OF POTENTIAL BENEFITS RESULTING FROM AUDIT

<u>Recommendation Reference</u>	<u>Description of Benefits</u>	<u>Amount and/or Type of Benefit</u>
1.	Economy and Efficiency. Suspend proposed MILCON project until a determination that the proposed tri-service school is funded and cost-effective.	Monetary benefits cannot be quantified. <u>1/</u>
2.	Economy and Efficiency. This project should be reviewed at the 35-percent design stage to determine whether all its features are cost-effective.	Monetary benefits cannot be quantified. <u>2/</u>
3.	Economy and Efficiency. This project should be reviewed to determine if a waiver can be obtained.	Funds put to a better use of \$500,000 to the Military Construction Appropriation for FY 1993.

1/ The proposal of American Forces Information Services may result in savings to the Government if the benefits of its proposed consolidation are valid. The monetary benefits will depend on the size and scope of the new facility.

2/ Even though we could not quantify the amount, monetary benefits could be substantially reduced from the current construction estimate of \$21 million. The closure and realignment requirements will be recomputed after the size of the proposed headquarters building and the extent of features to be incorporated are determined. Monetary benefits will be generated if the scope is reduced.

APPENDIX B - ACTIVITIES VISITED OR CONTACTED

Office of the Secretary of Defense

Comptroller of the Department of Defense, Washington, DC
General Counsel of the Department of Defense, Washington, DC
Deputy Assistant Secretary of Defense (Installations),
Washington, DC
American Forces Information Service, Alexandria, VA

Department of the Army

Deputy Assistant Secretary of the Army (Installations and
Housing), Washington, DC
Forces Command, Fort McPherson, Atlanta, GA
Training and Doctrine Command, Fort Monroe, Hampton, VA
United States Army Recruiting Command, Fort Sheridan, Highland
Park, IL
Office of the Chief of Engineers, U.S. Army Corps of Engineers,
Washington, DC
Office of the Chief of Staff, Washington, DC
Army Audit Agency, Alexandria, VA
Fort Benjamin Harrison, Indianapolis, IN
Fort George G. Meade, Laurel, MD
Fort Knox, Louisville, KY

Department of the Navy

Pensacola Naval Complex, Pensacola, FL

Department of the Air Force

Office of the General Counsel of the Air Force, Washington, DC
Air Training Command, Randolph Air Force Base, Universal City, TX

Non-DoD

U.S. General Accounting Office, NSIAD Technical Information
Center, Washington, DC

APPENDIX C - REPORT DISTRIBUTION

Office of the Secretary of Defense

Deputy Assistant Secretary of Defense (Installations)
Assistant Secretary of Defense (Production and Logistics)
General Counsel of the Department of Defense
Comptroller of the Department of Defense
American Forces Information Service

Department of the Army

Secretary of the Army
Under Secretary of the Army
Assistant Secretary of the Army (Financial Management)
Comptroller of the Army
U.S. Army Forces Command
U.S. Army Training and Doctrine Command
U.S. Army Recruiting Command
U.S. Army Corps of Engineers
Army Audit Agency

Department of the Navy

Pensacola Naval Complex

Department of the Air Force

Office of the General Counsel of the Air Force
Air Training Command

Non-DOD

Office of Management and Budget
U.S. General Accounting Office, NSIAD Technical Information
Center

Congressional Committees:

Senate Subcommittee on Defense, Committee on Appropriations
Ranking Minority Member, Senate Subcommittee on Defense,
Committee on Appropriations
Senate Committee on Armed Services
Ranking Minority Member, Senate Committee on Armed Services
Senate Committee on Governmental Affairs
Ranking Minority Member, Senate Committee on Governmental
Affairs
House Committee on Appropriations
Ranking Minority Member, House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations

APPENDIX C - REPORT DISTRIBUTION (continued)

Congressional Committees: (continued)

Ranking Minority Member, House Subcommittee on Defense,
Committee on Appropriations
House Committee on Armed Services
Ranking Minority Member, House Committee on Armed Services
House Committee on Government Operations
Ranking Minority Member, House Committee on Government
Operations
House Subcommittee on Legislation and National Security,
Committee on Government Operations
Ranking Minority Member, House Subcommittee on Legislation and
National Security, Committee on Government Operations
Senator Dan Coats, U.S. Senate
Senator Wendell H. Ford, U.S. Senate
Senator Richard G. Lugar, U.S. Senate
Senator Mitch McConnell, U.S. Senate
Senator Barbara A. Mikulski, U.S. Senate
Senator Paul S. Sarbanes, U.S. Senate
Congressman Andrew Jacobs Jr., U.S. House of Representatives
Congressman Tom McMillen, U.S. House of Representatives
Congressman William H. Natcher, U.S. House of Representatives

PART III - MANAGEMENT COMMENTS

Comptroller of the Department of Defense

Department of the Army

COMPTROLLER OF THE DEPARTMENT OF DEFENSE COMMENTS



OFFICE OF THE COMPTROLLER OF THE DEPARTMENT OF DEFENSE

WASHINGTON DC 20301-1100

(Management Systems)

APR 20 1992

MEMORANDUM FOR DIRECTOR FOR CONTRACT MANAGEMENT, DOD IG

SUBJECT: Draft Quick Reaction Report on the Review of Defense
Base Closure and Realignment Budget Data for Fort
Knox, Ft. Meade, Project No. 2CG-5022.03

Comptroller comments on subject draft report are as follow:

a. Concur with the recommendation that Comptroller expedite the decision on the school consolidation. Action is being taken to accomplish this. Armed Forces Information Services (AFIS) is preparing a decision memorandum for the Deputy Secretary of Defense which will be staffed with Services and cognizant DoD staff with a target date of May 15, 1992, for final decision. Comptroller will work with AFIS to assure timely staffing of this document. This will allow sufficient time for Army to perform necessary design and construction and still accommodate the 1995 target date for completion of the consolidation.

b. Paragraph three on page one, Part I Results of Audit should be changed to delete the words "by the Comptroller."

c. Army representatives have stated that, following a decision, they will further evaluate the size of the project and available resources and plan the facilities accordingly. Recommend that the DoD IG coordinate with Army during this process to assure questions regarding projected student load are satisfactorily resolved.

Should you wish to discuss these comments my staff point of contact is Mr. John Raines. He can be reached at (703) 614-0357.


Alvin Tucker
Deputy Comptroller
(Management Systems)

DEPARTMENT OF THE ARMY COMMENTS



REPLY TO
ATTENTION OF

DACS-DM

DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF STAFF
WASHINGTON, DC 20310-0200



22 APR 1992

MEMORANDUM FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE

SUBJECT: Draft Quick-Reaction Report on the Review of Defense
Base Closure and Realignment Budget Data for Fort Knox
and Fort Meade (Project No. 2CG-5022.03)

The purpose of this memorandum is to provide comments on the
subject Draft DoD IG report.

The Army concurs with the findings. Specific comments on
each finding is at enclosure 1.

Regarding the monetary benefits, the Army concurs with the
potential of saving approximately \$500,000 if the waiver for
handicap access is approved. However, the Army does not agree,
nor believe it appropriate, to portray a potential for \$31.1
million savings to Congressional Committees. Regardless of the
DoD decision on the consolidation of Information Services
training, it will cost at least \$9.6 million to facilitate and
move DINFOS from Fort Benjamin Harrison in accordance with the
Commission's recommendations. Upon completion of the 35-percent
design review of the HQ USAREC permanent facility, the cost may
come down, but the \$21 million requirement will not be totally
eliminated.

THOMAS M. MONTGOMERY
Brigadier General, GS
Director of Management

DEPARTMENT OF THE ARMY COMMENTS (continued)

Enclosure 1 (Specific Comments on the DoD IG Recommendations)

GENERAL COMMENT: Concur with recommendations 1a, 1b, 2 and 3 as written.

SPECIFIC COMMENTS/with ACTIONS TAKEN OR PLANNED:

Recommendation 1a: Comptroller of the Department of Defense expedite the decision on the school consolidation proposed by the American Forces Information Service.

Army concurs with the recommendation. Until a decision is made, the Army cannot determine facility requirements at the gaining installation. We believe it will take approximately two years to design and construct the type facilities needed to house AFIS requirements. In order for the Army to comply with the BRAC 91 requirement to close Fort Benjamin Harrison, facilities for DINFOS must be ready by September 1995. Optimistic backward planning indicates that FY93 MILCON must be programmed for AFIS requirements. Consequently, a decision must be reached by September 1992.

Recommendation 1b: Comptroller of the Department of Defense suspend action on the \$9.6 million military construction project at Fort Meade, pending the decision.

Army concurs with the concept of suspending action on the project until a decision is reached. The Army is not taking action or expending funds for this project until a DoD decision is reached regarding the AFIS consolidation. The Army would recommend rewording the recommendation as follows: The Army should not expend funds for design or construction of facilities for the consolidation of Information Services Training until the Department of Defense has made decisions regarding the consolidation location, total facility requirements for the consolidation, and the source(s) of funds.

Recommendation 2: Chief of Base Realignment and Closure, Director of Management, Chief of Staff of Army review the \$21 million headquarters building military construction project at Fort Knox at the 35-percent design stage to determine whether its features are cost-effective and whether the requested square footage is still justified.

Army concurs with the concept of the finding. It is normal for the Army to conduct a design review, starting at the 30-percent stage, and run the review through the 35-percent stage. During this period the A/E is required to provide cost-effective features. Also, a Value Engineering Study will be performed on the A/E's concept submittal. Based on these review efforts the design will be appropriately adjusted for space requirements or features that are not cost effective.

DEPARTMENT OF THE ARMY COMMENTS (continued)

Recommendation 3: U.S. Army Recruiting Command request reconsideration of the denial of a waiver for handicapped access, in a temporary building, from the Deputy Assistant Secretary of the Army (Installations and Housing).

Army concurs with the finding. A request for reconsideration is being submitted by HQ USAREC.

List of Audit Team Members

David K. Steensma, Director, Contract Management Directorate
Wayne K. Million, Audit Program Director
Gary R. Padgett, Audit Project Manager
David L. Spargo, Senior Auditor
Roy Tokeshi, Auditor
Cynthia G. Williams, Auditor
Louis Max, Auditor

INTERNET DOCUMENT INFORMATION FORM

A . Report Title: Quick-Reaction Report on the Review of Defense Base Closure and Realignment Budget Data for Fort Knox and Fort Meade

B. DATE Report Downloaded From the Internet: 06/12/99

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #):
OAIG-AUD (ATTN: AFTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, VA 22202-2884

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
DTIC-OCA, Initials: __VM__ Preparation Date 06/12/99

The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.